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SUBJECT: IN NORTHERN JAPAN LOCAL POLITICS IS LOCAL: LOOKING AT THE
UPCOMING AKITA GUBERNATORIAL ELECTION

11. (U) Japan's latest politics and money scandal highlights in big round numbers the long and cozy relationship between construction companies and northern Japan politicians of both major political parties. Names have been named, including aides to the sitting Akita governor, the colorful DPJ-affiliated Sukeshiro Terata, yet the Akita Prefecture gubernatorial election campaign will kick off on March 26 as a race between personalities and local loyalties, not as a referendum on national politics or illegal donations. So far three local mayors have announced their candidacies - Akita Mayor Norihisa Satake (61), Kosaka Town Mayor Hiroshi Kawaguchi (61), and former Ugo Town Mayor Shoichiro Sato (56).

12. (U) Due to the collapse of opposition party alliances that traditionally supported local candidates against the ruling party (partly because of unhappiness with Governor Terata's budget politics), this election has some curious endorsements. Satake is supported by the ruling party LDP, the labor union stronghold Rengo (Japanese Trade Union Confederation), largely made up of public employees, the minor opposition SDP, and the Sokka Gakkai affiliated, ruling coalition member, Komeito. Satake is in the lead at the moment, but there is no guarantee he will keep the advantage. Kawaguchi is popular among Akita citizens who see him as a local hero who can revitalize the ailing economy.

Akita Prefecture ranks nationally 41st among 47 prefectures in average income - about 59 percent of the Tokyo figure - and economic production is off more than 14 percent from last year. Unemployment and bankruptcies are also way up. Scandal cases do not really affect rural area voting behavior since they often benefit from infrastructure largesse. Independent voters, about 40 % of the eligible voters and mainly resident in Akita City, will be the deciding factor.

The Candidates

13. (U) Representing the central, urban part of the prefecture, Satake, the 21st generation scion of the Satake clan which governed Akita in feudal Japan, is a former employee of the Akita Prefectural Government. He ran for governor with LDP endorsement and lost 12 years ago to Terata for a seat suddenly vacated in the wake of another money scandal directly involving the then incumbent who was an LDP member. This time, Satake will run as an independent, although supported by the LDP and Komeito, and backers more usually found in the opposition camp: RENG0 Akita and the SDP Akita Chapter. He enjoys high name recognition from his "old money" family, as well as from his position as president of the National Mayors Association. He stands to benefit most from the independent voting bloc.

14. (U) From the north, Kawaguchi is famous in the prefecture for his Horatio Alger background and his "green" image. Born

into a farm family, he went to college in Tokyo and paid his way through by operating a street cart ramen noodle stand. After returning home, he became a town assembly member in 1984 and mayor in 1990. He is now serving his 5th term. Under his leadership, Kosaka Town has prospered by focusing on recycling: producing fertilizer from kitchen garbage, planting rape seed in unused plots of land to produce oil and alternative light diesel fuel, and extracting noble metals out of scrapped computers and other electronic equipment using technology from the obsolete mining industry that was the town's economic base in the past. By 2006, the average per capita income of Kosaka rose to second in the prefecture, up from 25th. The town is financially self-sufficient from a steady corporate revenue base. Kawaguchi can credibly claim that he, of all the candidates, can best see the world from the voters' point of view and cure the ailing prefectural economy.

(U) The LDP considered throwing their support behind the popular Kawaguchi. But, after the DPJ announced their official support, with Governor Terata expected to follow with a personal endorsement, the LDP chose to support Satake instead. Kawaguchi has a base of non-partisan support including Komeito. Tetsuzo Fuyushiba, former Minister of Land, Transport, and Infrastructure, attended a Kawaguchi supporters' party held in Tokyo earlier this month. Former LDP Lower House Member (and postal privatization opponent) Hosei Norota and his supporters openly back Kawaguchi. The mayor will play to his "self-made man" persona and may attract independents by holding out the promise of change, Obama-style, his old-guard political backers notwithstanding.

15. (U) From the south, Sato, who, after graduating from an agricultural high school in Akita, studied agriculture in the

SAPPORO 00000015 002 OF 002

U.S. in the late Seventies on a Japanese government agricultural trainee program. He became a Ugo Town assembly member at the age of 27, the youngest among assembly members at the time. He ran for mayor and was elected, at 42, the youngest in the prefecture, in 1995. He challenged Terata in 2005 on an LDP ticket, but lost. Although he has farm appeal, Sato's dark horse candidacy will likely not amount to much.

DPJ-Rengo Coalition Breaks Down over Public Employee Interests

16. (U) DPJ-supported Governor Terata's successful control of the past three elections, as well as his party's consistent showing in the 2005 Lower House and the 2007 Upper House races was primarily based on a strong campaign coalition between the DPJ Akita Chapter and the SDP Akita brokered by Rengo Akita. But this time, Rengo is putting its support behind the LDP candidate.

(U) Our sources at the local newspaper, Akita Sakigake, say that one of the reasons for the Rengo departure is their disgruntlement with the aggressive approach of Governor Terata who cut Prefectural government employee salaries to balance the budget. The SDP, protective of the strongly leftist teacher union interests, is also displeased that the straight-talking Governor publicly disclosed the results of the national achievement tests for elementary and junior high school students.

Political Parties in Disarray

17. (U) Although the Nishimatsu scandal has not created a public backlash in northern Japan, it has made everyone leery of inviting national-level politicians to stump for the candidates, throwing conventional campaign tactics into confusion. Currently, no DPJ executive members are scheduled to come although Party leader Ichiro Ozawa and acting leader Naoto Kan visited Akita several times during the election campaign period of the 2007 Upper House election and made several appearances last year. Meanwhile, according to the LDP Akita Chapter, LDP-supported Satake has so far refused any campaign assistance from the LDP Tokyo Head Office, declining to have anything to do

with the circle around the deeply unpopular Prime Minister Taro Aso. LDP Election Campaign Strategy Headquarters Vice President Suga is scheduled to be in Yuzawa City, Akita on March 22 to support a LDP candidate running against the incumbent Japan Communist Party mayor. Suga will pass through Akita City at that time, but is not making a special trip.

(U) The three candidates have not announced election pledges or manifestoes yet. We expect economic issues, not political issues, will remain front and center in this race.
WELTON